

Appendix I

Letter of Review



Kiefner & Associates, Inc.

September 22, 2008

Ms. Meera Kothari, P. Eng.
TransCanada PipeLines Ltd.
450 -1 Street SW
Calgary, Alberta, CANADA
T2P 5H1

Re: Review of the Keystone XL Oil Pipeline Integrity Management Process for Cyclic Fatigue Induced by Internal Pressure Cycles

Dear Ms. Kothari:

At your request, Kiefner & Associates, Inc. has reviewed the Integrity Management Process (IMP) to address cyclic fatigue induced by internal pressure cycles for the proposed U.S. portion of the Keystone XL (KXL) oil pipeline. Based on this review and predicated upon the successful implementation of the KXL quality management system, we find the IMP to be satisfactory for the purposes of managing the potential line pipe fatigue threat associated with initial manufacturing imperfections and from induced mechanical damage subjected to internal pressure cycles.

If you have further questions on this matter, please feel free to contact me.

Sincerely,

Michael J. Rosenfeld, PE
President